

## Message Text

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12

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 EB-07 TRSE-00 CIAE-00 INR-07

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R 140910Z AUG 75

FM AMCONSUL LUANDA

TO SECSTATE WASHDC 3983

INFO AMEMBASSY KINSHASA

AMEMBASSY LUSAKA

AMEMBASSY PRETORIA

AMEMBASSY LONDON

AMEMBASSY LISBON

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E.O. 11652: N/A

TAGS: PFOR AO

SUBJECT: THE MECHANICS AND FINANCING OF PARTITION: BANKING  
AND THE PETROLEUM INDUSTRY

1. FNTA HAS ORDERED THE BANKS OPERATING IN THE NORTH NOT TO  
CEASE OPERATIONS AND TO KEEP BANK EMPLOYEES IN PLACE. ON  
AUGUST 11 A DELEGATION OF BANKERS ASKED THE ACTING HIGH COM-  
MISSIONER, GEN. MACEDO, TO ASSIST THEM IN CONVOYING SUPPLIES OF  
CASH AND RELIEF EMPLOYEES TO BRANCHES IN FNLA CONTROLLED AREAS.  
HE SAID IT WOULD BE IMPOSSIBLE TO DO SO. THE BANKS FEEL IT WILL  
BE IMPOSSIBLE TO OPERATE IN THE NORTH UNLESS CASH AND  
DOCUMENT TRANSFERS CAN BE ACCOMPLISHED. THEY ARE ALSO WORRIED  
THAT THE SHORTAGE OF BANK VAULT CASH WILL LEAD TO BRANCHES BEING  
FORCED TO SUSPEND PAYMENTS, WHICH IN TURN COULD LEAD TO LOOTING  
AND DESTRUCTION OF BANK PREMISES.

2. THE MANAGER OF ANGOLA'S CITYBANK SUBSIDIARY CLAIMS BANK  
EXECUTIVES HERE ARE READY TO THROW IN THE TOWEL BUT CANNOT FIGURE  
OUT HOW TO DO IT.

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3. MPLA HAS FORBIDDEN A PETROANGOL SHIPMENT OF DIESEL FUEL TO FNLA-CONTROLLED SAN ANTONIO DO ZAIRE. DURING AN AUGUST 12 MEETING WITH THE PETROLEUM MARKETING COMPANIES AN MPLA GOVERNMENT OFFICIAL SAID PRODUCT IMPORTED BY THE CENTRAL GOVERNMENT (I.E. MPLA) COULD NOT BE SHIPPED TO AREAS CONTROLLED BY THE OTHER MOVEMENTS. A FEW DAYS AGO A PETROANGOL TANKER LIFETED CRUDE FROM SAN ANTONIO DO ZAIRE DESTINED FOR PORTUGAL. IT IS NOT KNOWN IF FNLA WAS PAID DIRECTLY FOR THE CRUDE. (FNLA REPORTEDLY ROBBED 120 MILLION ESCUDOS - U.S. 4.8 MILLION - FROM A BANK IN MALANGE. ALL MALANGE BANKERS HAD PLACED THEIR MONEY IN ONE VAULT "FOR SAFEKEEPING." MPLA IS CREDITED WITH A SMALLER HEIST IN HENRIQUE DE CARVALHO.)

4. ON AUGUST 12 A MINISTRY OF FINANCE COMMUNIQUE ANNOUNCED A CRACKDOWN ON FRADULENT AND ILLEGAL EXPORTS OF PRIVATELY OWNED VEHICLES. ALTHOUGH IT SAID ONLY THAT A JAN 1975 LAW SPECIFYING THE NUMBER OF POV'S THAT CAN BE EXPORTED AND THE LENGTH OF PRIOR OWNERSHIP REQUIRED WOULD BE ENFORCED, WHITES FEAR A DE FACTO CUTOFF OF SUCH SHIPMENTS IS IN THE OFFING. TWO WEEKS AGO MPLA'S PRESIDENT ATTACKED EXPORT OF POV'S AS A LOSS OF PROPERTY RIGHTFULLY BELONGING TO THE "PEOPLE."

5. COMMENT. ANGOLA'S ECONOMY DETERIORATES VISIBLY DAILY. IN ADDITION TO FUEL SHORTAGE, INDUSTRIAL PRODUCTION IS ALMOST NON-EXISTENT. LUANDA'S FOOD SUPPLY IS THREATENED BY THE GENERAL ECONOMIC COLLAPSE AS WELL AS POSSIBLE UNITA RETALIATION. PORT PRODUCTIVITY REMAINS ON THE FLOOR. BANKING IS IN A STATE OF NEAR CHAOS. WITH MPLA COMPLETING ITS CONTROL OF LUANDA AND A SHORT TERM END TO FIGHTING IN THE CITY PRODUCTION MAY INCREASE SLIGHTLY. HOWEVER, THE MAIN PROBLEM, LOSS OF WHITE EXPERTISE, REMAINS TO BEDEVIL ANY REAL IMPROVEMENT. THE WHITE EXODUS EQUALLY AFFECTS THE SOUTH AND IT IS HARD TO SEE HOW NOVA LISBOA CAN FEED ITS ESTIMATED 25,000 REFUGEES. WORST OF ALL IS THE FACT PORTUGAL STILL CONTROLS - AND IS RESTRICTING - ANGOLA'S USE OF FOREIGN EXCHANGE.  
KILLORAN

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## Message Attributes

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